

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:

Equant, Inc.

Request for Review of Decision of the
Universal Service Administrator

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) WC Docket No. 06-122
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REPLY COMMENTS OF EQUANT, INC.

Equant, Inc. (“Equant”), by its attorneys, hereby submits this reply in support of its Request for Review of an audit report issued by the Universal Service Administrative Company (“USAC”) Board of Directors.¹

On January 3, 2012, Equant filed a Request for Review of Decision of the Universal Service Administrator (“Request”).² Pursuant to Public Notice DA 12-38 issued by the Federal Communications Commission (“Commission” or “FCC”), the deadline for interested parties to file comments to the Request was February 10, 2012. No parties filed comments. Because no party opposed the Request, the Bureau should quickly process Equant’s appeal and, for the reasons explained in Request, grant the appeal.

¹ USAC Internal Audit Division Report on the Audit of Equant, Inc. 2008 FCC Form 499-A Rules Compliance (USAC Audit No. CR2009CP001), dated Mar. 23, 2011, adopted by the USAC Board of Directors, October 25, 2011 (“Audit Report”). A copy of the Audit Report was provided in Exhibit 1 to Equant’s appeal.

² Request for Review by Equant, Inc. of Decision of Universal Service Administrator, WC Docket No. 06-122 (filed Jan. 3, 2012).

Equant takes this opportunity to highlight one additional ground on which the Bureau can grant the appeal. Equant's audio conferencing service is a global audio conferencing solution that provides worldwide coverage and a complete portfolio of value-added services, including automated conferencing, attended conferencing, and web conferencing. In its 2008 Form 499-A, Equant reported its 2007 revenues from the audio conferencing service as non-telecommunications revenue on Line 418.1. Equant's classification of these revenues proved to be consistent with the Commission's *InterCall Order*³ (issued shortly after the 2008 Form 499-A was filed), which held that providers of audio conferencing services must "contribute directly to the USF beginning as of the calendar quarter immediately following the next scheduled FCC Form 499-Q filing after the release date of this order."⁴ The *InterCall Order* was released on June 30, 2008, and thus required contributions based on audio conferencing revenues beginning in the fourth quarter of 2008.

In the Request, Equant challenges USAC's conclusion that the *InterCall Order* required prospective contributions only from providers of stand-alone audio conferencing services, while ordering retroactive contributions from integrated audio conferencing providers.⁵ As discussed in detail in the Request, USAC's interpretation of the *InterCall Order* is incorrect. The *InterCall Order* clearly establishes that *all* audio conferencing service providers were required to contribute to the USF prospectively, beginning in late 2008. Thus, Equant properly reported the audio conferencing portion of its 2007 IP Video Conferencing revenues on Line 418.1 of its 2008 Form 499-A filing.

³ *In re: Request for Review by InterCall, Inc. of Decision of Universal Service Administrator*, 23 FCC Rcd 10731 (2008) ("*InterCall Order*").

⁴ *InterCall Order* at 10731.

⁵ See Request at 7-11.

Nevertheless, even if the Commission were to find that the *InterCall Order* only applied to stand alone providers, Equant submits that the Commission still must grant Equant's appeal. This is because Equant should be classified as a stand-alone provider of audio conferencing for the period in question. As such, Equant would not owe USF on 2007 revenues even if USAC's interpretation of the *InterCall Order* were correct.

The *InterCall Order* discussed in detail the appeal of InterCall, Inc., a "stand-alone" provider of audio conferencing. The order also discusses so-called "integrated" providers of audio conferencing. For purposes of the proceeding, "stand-alone" providers were "those providers of audio bridging services that do not themselves own any underlying transmission capacity consumed in the provision of service."⁶ "Integrated" providers, by contrast, were "those providers, such as IXC's, that self-provision transmission capacity and offer audio bridging services utilizing that capacity."⁷

Under these standards, Equant was a "stand-alone" provider of audio conferencing in 2007. Equant provided audio conferencing as a reseller during this period. It obtained audio bridging services, including the transmission underlying the service, from a third party, who was itself a stand-alone provider of audio conferencing.⁸ Equant did not "own any underlying transmission capacity *consumed in the provision of service*."⁹ Nor did it offer audio bridging utilizing self-provisioned transmission capacity.¹⁰ Instead, Equant's wholesale audio

⁶ InterCall, Inc., Request for Review of Decision of Universal Service Administrator, at 1, n.1, CC Docket No. 96-45 (filed Feb. 1, 2008). Although the Commission did not define "stand-alone" providers in the *InterCall Order*, it used the terms consistent with the definitions provided by InterCall in its appeal.

⁷ *Id.*

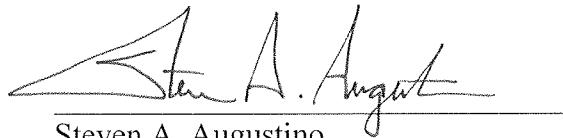
⁸ See Audit Report at 18-19 (Equant resold the audio bridging services of a stand-alone service provider).

⁹ Compare "stand-alone provider," *supra*, n. 6.

¹⁰ Compare "integrated provider," *supra*, n. 7.

bridging vendor supplied both the audio bridging and transmission capacity utilized for the service. Its wholesale audio bridging vendor, in turn, was itself a stand-alone provider, and it obtained the transmission capacity from a different telecommunications carrier. Thus, neither Equant nor its wholesale vendor were required to contribute to the USF during the time period of the audit. Equant respectfully submits that the Commission must, therefore, reverse the Audit Report, regardless of the interpretation of the *InterCall Order*.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven A. Augustino", written over a horizontal line.

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